## Fiscal Estimate - 2005 Session

	Original		Updated		Corrected		Supplemental		
LRB	Number	05-4286/1		Intro	duction Num	ber A	B-955		
<b>Description</b> An income and franchise tax credit for information technology equipment used to maintain medical records in electronic form									
Fiscal	Effect								
	lo State Fiscondeterminate Increase E Appropriat Decrease Appropriat Create Ne	e Existing tions Existing	Revenu Decreas Revenu	se Existing	to abs		- May be possible n agency's budget □ No s		
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Fund Sources Affected  Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS									
Agency	y/Prepared I	Ву	Au	thorized S	Signature		Date		
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## Fiscal Estimate Narratives DOR 2/8/2006

LRB Number <b>05-4286/1</b>	Introduction Number AB-	Estimate Type	Original				
Description An income and franchise tax credit for information technology equipment used to maintain medical records in electronic form							

## **Assumptions Used in Arriving at Fiscal Estimate**

The bill would create a nonrefundable income and franchise tax credit for an amount spent by health care providers in the taxable year for information technology hardware and software used to maintain medical records in electronic form.

The maximum amount of credits that could be claimed is \$10 million per taxable year. The bill does not provide any guidance as to how that limitation should be maintained.

The Department estimates that the bill would reduce state revenues by at least \$10 million per year, the annual cap stated in the bill. However, because the bill does not contain criteria for determining how the annual cap is to be allocated, it is unclear how the department would deny claims. As such, the fiscal effect could be significantly higher.

**Long-Range Fiscal Implications**